

OIL AND GAS CONSERVATION COMMISSION
416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
July 29, 2005

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Jones, Vice-Chairman
Mr. Joseph J. Lane, Member
Mrs. Michele P. Negley, Member
Mr. Robert L. Wagner, Member
Mr. Steven L. Rauzi, Oil and Gas Administrator

Dr. J. Dale Nations, Chairman, called the regular Commission Meeting of July 29 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF MAY 13, 2005

Mr. Jones moved, seconded by Mrs. Negley:

THAT THE MINUTES OF THE MEETING OF MAY 13, 2005 BE ACCEPTED
AS PRESENTED

Motion carried unanimously.

REPORT OF THE OIL AND GAS ADMINISTRATOR

The activity report of Mr. Rauzi was sent to the Commissioners and has been made a part of these minutes. Mr. Rauzi discussed the permits issued and wells drilled or plugged since the last meeting on May 13, 2005.

STATUS OF FINAL RULEMAKING TO AMEND A.A.C. R12-7-103

Mr. Rauzi reported that the Governor's Regulatory Review Council approved the final rulemaking at its July 12, 2005 meeting. He noted the rule would become effective 60 days after filing with the Secretary of State.

STATUS OF HOLBROOK ENERGY WELLS 35-1 HORTENSTINE (PERMIT 919) AND 17-1 NZ (PERMIT 924)

Mr. Rauzi reported that Holbrook Energy drilled the 35-1 in September 2004 and was granted temporary abandonment through October 2005 to attempt a slim-hole completion. Mr. Rauzi indicated that to date the Commission had not received any subsequent information about the completion attempt.

Mr. Rauzi reported that Holbrook Energy drilled the 17-1 in February 2005 and was granted temporary abandonment through October 2005 to evaluate the hole. Mr. Rauzi reported that Holbrook Energy conducted a production test in mid May. He indicated that to date the Commission had not received any subsequent information about the production test.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION WELLS 22-1X STATE (888), 11-21 STATE (895), 10-22 STATE (896), 9-21 STATE (897), 12-15-30 STATE (900), AND 11-18 STATE (916), APACHE COUNTY AND POSSIBLE REPORT BY A REPRESENTATIVE OF RIDGEWAY

Mr. Rauzi reported that all of Ridgeway's wells were granted temporary abandonment through January 2006. Mr. White indicated that there was nothing to report at this time.

CALL TO THE PUBLIC

Mr. Rauzi reported that 44 parcels were offered at the BLM oil and gas lease held July 12 in Phoenix. He indicated that several parcels received bids as high as \$10 per acre.

ANNOUNCEMENTS

Mr. Rauzi announced that the sunset review of the Commission was scheduled for next year. He passed out a copy of a letter from the legislative committee of reference requesting information relating to the review. He noted that a response was requested by September 15.

The Commission scheduled its next meeting at 10:00 a.m. on October 14, 2005, in Room 321 at the State Land Department Building in Phoenix.

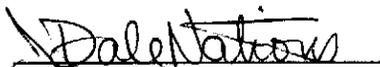
ADJOURNMENT

Mr. Wagner moved, seconded by Mrs. Negley:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:50 a.m.

APPROVED


Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Richard Ahern
Jo Anne Jones
Tom White

State Land Department
Guest of Bob Jones
Ridgeway Arizona Oil Corporation